

**GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA**

UNSTARRED QUESTION NO:4520
ANSWERED ON:22.05.2006
SUBSIDY TO CCI
Ahir Shri Hansraj Gangaram

Will the Minister of AGRICULTURE be pleased to state:

- (a) whether subsidy for the purchase under minimum support price is provided to Cotton Corporation of India by the Government;
- (b) if so, the details thereof;
- (c) whether any proposal regarding payment of subsidy has been sent to the Government for the purchase of cotton under the minimum support price by the Maharashtra State Co-operative Cotton Growers Marketing Federation Limited in the State of Maharashtra; and
- (d) if so, the action taken or proposed to be taken by the Government on the said proposal?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTILAL BHURIA)

(a): The Cotton Corporation of India Ltd. (CCI) is reimbursed the losses, if any, incurred by it for carrying out the Minimum Support Price (MSP) operations for cotton as the Nodal agency of Government of India.

(b): During the financial year 2004-05, the Cotton Corporation of India, incurred a loss of Rs.166.99 crore, which was fully reimbursed by the Government of India. During the financial year 2005-06, the losses incurred by the CCI, were estimated provisionally at Rs.224.63 crore, of which Rs.148.68 crore were reimbursed by the Government of India.

(c) & (d): The Government of Maharashtra has requested the Government of India to appoint Maharashtra State Cooperative Cotton Growers` Marketing Federation Ltd. (MSCCGMF) as an agency for MSP operation of cotton in the State of Maharashtra directly on behalf of the Government of India so that it should get the agency commission and reimbursement of any losses under MSP operation of cotton on the lines of CCI.

However, the Government of India, has only appointed the MSCCGMF as a State agency for monopoly cotton procurement scheme of cotton in the State of Maharashtra upto 30.6.2006, subject to the stipulation that in the operation of the Scheme, there will be no financial liability on the part of the Government of India.